

AMENDED IN SENATE MAY 6, 2014  
AMENDED IN SENATE APRIL 21, 2014

**SENATE BILL**

**No. 1275**

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**Introduced by Senator De León**

February 21, 2014

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An act to amend Section 44125 of, and to add Chapter 8.5 (commencing with Section 44258) to Part 5 of Division 26 of, the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 1275, as amended, De León. Vehicle retirement and replacement: Charge Ahead California Initiative.

(1) Existing law creates an enhanced fleet modernization program for the retirement of high polluting vehicles to be administered by the Bureau of Automotive Repair pursuant to guidelines adopted by the State Air Resources Board. Existing law requires the program's guidelines to be updated no later than June 30, 2015. Existing law requires the updated guidelines to ensure vehicle replacement be an option for all motor vehicle owners and may be in addition to compensation for vehicles retired, as specified.

This bill would require the updated guidelines to ensure there be a mobility option, as defined, and that the compensation for a mobility option be no less than the combination of what the motor vehicle owner would have received as compensation toward a replacement vehicle and the amount of a specified incentive available for a qualified plug-in battery electric vehicle. The bill also would require the updated guidelines to ensure the inclusion of car sharing, as specified.

(2) Existing law establishes the Air Quality Improvement Program that is administered by the State Air Resources Board for the purposes

of funding projects related to, among other things, reduction of criteria air pollutants and improvement of air quality. Pursuant to the Air Quality Improvement Program, the state board has established the Clean Vehicle Rebate Project to promote the production and use of zero-emission vehicles and the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project to provide vouchers to help California fleets to purchase hybrid and zero-emission trucks and buses.

This bill would establish the Charge Ahead California Initiative to be administered by the state board, in consultation with the State Energy Resources Conservation and Development Commission, air pollution control and air quality management districts, and public stakeholders. The bill would state that the goals of the initiative are to, among other things, place in service at least 1,000,000 zero-emission and near-zero-emission vehicles by January 1, 2023, and to increase access for ~~disadvantaged and low-~~ *disadvantaged, low-income,* and moderate-income communities to zero-emission and near-zero-emission vehicles. The bill would require the state board to adopt, no later than June 30, 2015, a ~~9-year~~ plan to meet the goals of the initiative, commencing in the 2016–17 fiscal year, that establishes an estimate for the total funding necessary for specified programs and projects; *to update the plan at least every 3 years through January 1, 2023;* to adopt, no later than June 30, 2015, specified revisions to the criteria and guidelines for the Clean Vehicle Rebate Project and the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project; and to establish programs that further increase access to and direct benefits for ~~disadvantaged and low-~~ *disadvantaged, low-income,* and moderate-income communities from electric transportation.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Seven of the 10 worst polluted cities in the United States
- 4 are in California. California has the largest proportion of its
- 5 population, over 40 percent, living close to or near busy roadways
- 6 and who may be exposed to an elevated risk of air pollution and
- 7 health impacts.

1 (b) California’s low-income and disadvantaged populations  
2 continue to face disproportionate impacts from substandard air  
3 quality in the form of higher rates of respiratory illnesses,  
4 hospitalizations, and premature death. Climate change is expected  
5 also to have disproportionate impacts on disadvantaged,  
6 low-income, and other vulnerable communities in California.

7 (c) Residents and businesses annually spend more than \$70  
8 billion in transportation fuel bills.

9 (d) Cars and trucks are the single largest source of global  
10 warming pollution in California. They also are the largest  
11 contributor to air pollution that harms public health.

12 (e) Zero-emission and near-zero-emission vehicles, including  
13 light-, medium-, and heavy-duty vehicles and buses, can improve  
14 the health and welfare of all residents, especially those in lower  
15 income households and disadvantaged communities, by reducing  
16 air pollution and greenhouse gas emissions.

17 (f) California businesses stand to benefit from increased  
18 deployment of zero-emission and near-zero-emission vehicles  
19 through reduced fuel expenditures and reduced pollution exposure  
20 to workers and communities.

21 (g) California attracts over half of the nation’s venture capital  
22 for clean technology and ranks high among the states in the number  
23 of workers and facilities supporting the clean vehicle and electric  
24 vehicle industries.

25 (h) Automakers and truck manufacturers are in early  
26 commercialization of zero-emission and near-zero-emission  
27 vehicles, which can dramatically lower smog and greenhouse gas  
28 emissions even when emissions from the production, distribution,  
29 and refining of fuels and the generation of electricity are  
30 considered.

31 (i) Electric utilities are providing clean renewable electricity in  
32 increasing amounts to transportation customers throughout the  
33 state. Charging-service providers are beginning to deploy electric  
34 vehicle charging infrastructure throughout the state. Expanding  
35 the market for zero-emission and near-zero-emission vehicles to  
36 underserved markets in California is a priority.

37 (j) Low-carbon transportation has been identified as an eligible  
38 investment under the Greenhouse Gas Reduction Fund Investment  
39 Plan and Communities Revitalization Act (Chapter 4.1  
40 (commencing with Section 39710) of Part 2 of Division 26 of the

1 Health and Safety Code). The act has identified low-carbon freight  
2 transport and zero-emission passenger transportation as a  
3 recommended area for investment.

4 (k) It is the goal of the state to place in service at least one  
5 million zero-emission and near-zero-emission vehicles by January  
6 1, 2023, and to establish a self-sustaining zero-emission and  
7 near-zero-emission vehicle industry in which zero-emission and  
8 near-zero-emission vehicles are a viable mainstream option for  
9 individual vehicle purchasers, businesses, and public fleets.

10 (l) It is the goal of the state to increase access for disadvantaged  
11 and low- and moderate-income communities to zero-emission and  
12 near-zero-emission vehicles and to increase the placement of those  
13 vehicles in those communities in order to enhance the air quality,  
14 lower greenhouse gases, and promote overall benefits for those  
15 communities.

16 (m) It is the intent of the Legislature that this act be consistent  
17 with the appropriations processes and criteria established by the  
18 Greenhouse Gas Reduction Fund Investment Plan and  
19 Communities Revitalization Act (Chapter 4.1 (commencing with  
20 Section 39710) of Part 2 of Division 26 of the Health and Safety  
21 Code).

22 SEC. 2. Section 44125 of the Health and Safety Code is  
23 amended to read:

24 44125. (a) No later than July 1, 2009, the state board, in  
25 consultation with the bureau, shall adopt a program to commence  
26 on January 1, 2010, that allows for the voluntary retirement of  
27 passenger vehicles and light-duty and medium-duty trucks that are  
28 high polluters. The program shall be administered by the bureau  
29 pursuant to guidelines adopted by the state board.

30 (b) No later than June 30, 2015, the state board, in consultation  
31 with the bureau, shall update the program established pursuant to  
32 subdivision (a). The program shall continue to be administered by  
33 the bureau pursuant to guidelines updated and adopted by the state  
34 board.

35 (c) The guidelines shall ensure all of the following:

36 (1) Vehicles retired pursuant to the program are permanently  
37 removed from operation and retired at a dismantler under contract  
38 with the bureau.

39 (2) Districts retain their authority to administer vehicle  
40 retirement programs otherwise authorized under law.

1 (3) The program is available for high polluting passenger  
2 vehicles and light-duty and medium-duty trucks that have been  
3 continuously registered in California for two years prior to  
4 acceptance into the program or otherwise proven to have been  
5 driven primarily in California for the last two years and have not  
6 been registered in another state or country in the last two years.  
7 The guidelines may require a vehicle to take, complete, or pass a  
8 smog check inspection.

9 (4) The program is focused where the greatest air quality impact  
10 can be identified.

11 (5) (A) Compensation for retired vehicles shall be at least one  
12 thousand five hundred dollars (\$1,500) for a low-income motor  
13 vehicle owner, as defined in Section 44062.1, and no more than  
14 one thousand dollars (\$1,000) for all other motor vehicle owners.

15 (B) Replacement or a mobility option may be an option for all  
16 motor vehicle owners and may be in addition to compensation for  
17 vehicles retired pursuant to subparagraph (A). For low-income  
18 motor vehicle owners, as defined in Section 44062.1, compensation  
19 toward a replacement vehicle shall be no less than two thousand  
20 five hundred dollars (\$2,500). Compensation toward a replacement  
21 vehicle for all other motor vehicle owners shall not exceed  
22 compensation for low-income motor vehicle owners. Compensation  
23 for the mobility option shall be no less than the combination of  
24 what the motor vehicle owner would have received as  
25 compensation toward a replacement vehicle and the amount of an  
26 incentive available for a qualified plug-in battery electric vehicle  
27 pursuant to the Clean Vehicle Rebate Project, established pursuant  
28 to Section 44274.

29 (C) Compensation for either retired or replacement vehicles for  
30 low-income motor vehicle owners may be increased as necessary  
31 to maximize the air quality benefits of the program while also  
32 ensuring participation by low-income motor vehicle owners, as  
33 defined in Section 44062.1. Increases in compensation amounts  
34 may be based on factors, including, but not limited to, the age of  
35 the retired or replaced vehicle, the emissions benefits of the retired  
36 or replaced vehicle, the emissions impact of any replacement  
37 vehicle, participation by low-income motor vehicle owners, as  
38 defined in Section 44062.1, and the location of the vehicle in an  
39 area of the state with the poorest air quality.

1 (6) Cost-effectiveness and impacts on disadvantaged and  
2 low-income populations are considered. Program eligibility may  
3 be limited on the basis of income to ensure the program adequately  
4 serves persons of low or moderate income.

5 (7) Provisions that coordinate the vehicle retirement and  
6 replacement and mobility option components of the program with  
7 the vehicle retirement component of the bureau's Consumer  
8 Assistance Program, established pursuant to other provisions of  
9 this chapter, to ensure vehicle owners participate in the appropriate  
10 program to maximize emissions reductions.

11 (8) Streamlined administration to simplify participation while  
12 protecting the accountability of moneys spent.

13 (9) Specific steps to ensure the vehicle replacement and mobility  
14 option component of the program is available in areas designated  
15 as federal extreme nonattainment.

16 (10) A requirement that vehicles eligible for retirement have  
17 sufficient remaining life. Demonstration of sufficient remaining  
18 life may include proof of current registration, passing a recent  
19 smog check inspection, or passing another test similar to a smog  
20 check inspection.

21 (d) When updating the guidelines to the program established  
22 pursuant to subdivision (a), the state board shall study and consider  
23 all the following elements:

24 (1) Methods of financial assistance other than vouchers.

25 (2) An option for automobile dealerships or other used car sellers  
26 to accept cars for retirement, provided the cars are dismantled  
27 consistent with the requirements of the program.

28 (3) An incentive structure with varied incentive amounts to  
29 maximize program participation and cost-effective emissions  
30 reductions.

31 (4) Increased emphasis on the replacement of high polluters  
32 with cleaner vehicles or the increased use of public transit and car  
33 sharing that results in the increased utilization of the vehicle  
34 replacement and mobility option component of the program.

35 (5) Increased emphasis on the reduction of greenhouse gas  
36 emissions through increased vehicle efficiency or transit and car  
37 sharing use as a result of the program.

38 (6) Increased partnerships and outreach with community-based  
39 organizations.

1 (e) For purposes of this section, the following terms have the  
2 following meanings:

3 (1) “Car sharing” has the same definition as in Section 44258.

4 (2) “Mobility option” means a voucher for public transit or car  
5 sharing.

6 SEC. 3. Chapter 8.5 (commencing with Section 44258) is added  
7 to Part 5 of Division 26 of the Health and Safety Code, to read:

8  
9 CHAPTER 8.5. CHARGE AHEAD CALIFORNIA INITIATIVE

10  
11 44258. For purposes of this chapter, the following terms have  
12 the following meanings:

13 (a) “Car sharing” means a model of vehicle rental where users  
14 can rent vehicles for short periods of time and users are members  
15 that have been preapproved to drive.

16 (b) “Near-zero-emission vehicle” means a light-duty plug-in  
17 hybrid electric vehicle or a medium-duty, heavy-duty, or bus hybrid  
18 electric vehicle or plug-in hybrid electric vehicle.

19 (c) “Zero-emission vehicle” means a light-duty, medium-duty,  
20 heavy-duty, or bus battery electric vehicle or hydrogen fuel cell  
21 vehicle.

22 44258.4. (a) The Charge Ahead California Initiative is hereby  
23 established and shall be administered by the state board. The goals  
24 of this initiative are to place in service at least 1,000,000  
25 zero-emission and near-zero-emission vehicles by January 1, 2023,  
26 to establish a self-sustaining zero-emission and near-zero-emission  
27 vehicle industry in which zero-emission and near-zero-emission  
28 vehicles are a viable mainstream option for individual vehicle  
29 purchasers, businesses, and public fleets, to increase access for  
30 disadvantaged and low- and moderate-income communities to  
31 zero-emission and near-zero-emission vehicles, and to increase  
32 the placement of those vehicles in those communities to enhance  
33 the air quality, lower greenhouse gases, and promote overall  
34 benefits for those communities.

35 (b) The state board, in consultation with the State Energy  
36 Resources Conservation and Development Commission, districts,  
37 and public stakeholders, shall do all of the following:

38 (1) No later than June 30, 2015, adopt a ~~nine-year~~ plan to meet  
39 the goals of the initiative *established pursuant to subdivision (a)*,  
40 commencing in the 2016–17 fiscal year, that establishes an estimate

1 for the total funding necessary for programs and projects that  
2 include, but are not limited to, any of the following:

3 (A) The Clean Vehicle Rebate Project, established pursuant to  
4 Section 44274.

5 (B) The Hybrid and Zero-Emission Truck and Bus Voucher  
6 Incentive Project, established pursuant to Section 44274.

7 (C) The Advanced Technology Demonstration Projects,  
8 established pursuant to Section 44274.

9 (D) Zero-emission and near-zero-emission vehicle fueling  
10 infrastructure projects eligible under the Alternative and Renewable  
11 Fuel and Vehicle Technology Program, established pursuant to  
12 Article 2 (commencing with Section 44272) of Chapter 8.9.

13 (E) Light-duty, medium-duty, and heavy-duty zero-emission  
14 and near-zero-emission vehicle deployment projects eligible under  
15 the Alternative and Renewable Fuel and Vehicle Technology  
16 Program, established pursuant to Article 2 (commencing with  
17 Section 44272) of Chapter 8.9.

18 (F) Medium-duty and heavy-duty zero-emission and  
19 near-zero-emission vehicle technology demonstration projects  
20 eligible under the Alternative and Renewable Fuel and Vehicle  
21 Technology Program, established pursuant to Article 2  
22 (commencing with Section 44272) of Chapter 8.9.

23 (G) Precommercial demonstration projects of advanced freight  
24 and transit technology to move cargo and passengers in the state.

25 (H) Programs adopted pursuant to paragraph ~~(4)~~ (5).

26 *(2) The plan required pursuant to paragraph (1) shall be*  
27 *updated at least every three years through January 1, 2023.*

28 ~~(2)~~

29 (3) No later than June 30, 2015, adopt revisions to the criteria  
30 and guidelines for the Clean Vehicle Rebate Project, established  
31 pursuant to Section 44274, to ensure all of the following:

32 (A) Rebate levels are phased down in multiyear increments  
33 based on cumulative sales levels as determined by the state board.

34 (B) Modifications are adopted to both improve effectiveness  
35 and ensure that the program better serves persons of low and  
36 moderate incomes.

37 (C) Qualified low- and moderate-income motor vehicle owner  
38 participants in the enhanced fleet modernization program,  
39 established pursuant to Article 11 (commencing with Section  
40 44125) of Chapter 5, are eligible for rebates for the purchase of



1 both new zero-emission and near-zero-emission light-duty vehicles  
2 that are eligible for rebates under the Clean Vehicle Rebate Project,  
3 established pursuant to Section 44274, and used zero-emission  
4 and near-zero-emission light-duty vehicles that were eligible for  
5 rebates when they were originally purchased.

6 (D) Consideration of the conversion to prequalification and  
7 point-of-sale rebates or other methods to increase participation  
8 rates.

9 ~~(3)~~

10 (4) No later than June 30, 2015, adopt revisions to the criteria  
11 and guidelines for the Hybrid and Zero-Emission Truck and Bus  
12 Voucher Incentive Project, established pursuant to Section 44274,  
13 to ensure program eligibility for a truck and bus retrofitted or  
14 remanufactured to be a zero-emission or near-zero-emission  
15 vehicle.

16 ~~(4)~~

17 (5) (A) Establish programs that further increase access to and  
18 direct benefits for disadvantaged and low- and moderate-income  
19 communities from electric transportation, including, but not limited  
20 to, any of the following:

21 (i) A loan or loss reserve credit enhancement program to increase  
22 consumer access to zero-emission and near-zero-emission vehicle  
23 financing and leasing options that can help lower expenditures on  
24 transportation.

25 (ii) Car sharing programs that serve disadvantaged communities  
26 and incorporate zero-emission and near-zero-emission vehicles.

27 (iii) Deployment of charging infrastructure in multiunit  
28 dwellings in disadvantaged communities to remove barriers to  
29 zero-emission and near-zero-emission vehicle adoption by those  
30 who do not live in detached homes.

31 (B) Programs implemented pursuant to this paragraph shall  
32 provide adequate outreach to disadvantaged and low- and  
33 moderate-income communities, including partnering with  
34 community-based organizations.